

**Stephen J. Peklenk**  
**130 Hunter Lane**  
**Charlotte, North Carolina 28211**

December 3, 2022,

The Honorable Chief Justice Martin Glenn,  
United States Bankruptcy Court for the Southern District of New York  
One Bowling Green  
New York, NY 10004-1408

RE: Case No. 22-10964 Creditor: Stephen James Peklenk ID #8912

Dear Judge Glenn,

I am writing today to ask that you consider comments herein regarding the above noted case. The Chapter 11 Bankruptcy filing of Celsius has been a significant financial loss to my family's personal finances and to my prospect for retirement. Now, as I understand it, the Justice Department has opposed Celsius Network LLC's plan to sell its assets, arguing that the bankrupt crypto lender has not fully disclosed details on the assets to be sold. From documents provided by the administrator it seems that the asset sale is occurring, and I was not provided any option to contest this sale. I was provided the option to bid on my own assets that I already purchased in good faith.

I spent a considerable amount of time trying to learn all I could about Celsius before investing. I also listened to weekly updates, hearing the CEO of Celsius talk about how great the company was doing even with no hint of warning until the announcement of the locking of accounts and the Chapter 11 filing. Those of us who put money in for the long term, were fleeced/deceived about the condition of the company. I, and others, invested money and understood that the money could be used to loan out. I checked on the terms and rates were rather high, and it required 50% of assets to be on deposit to borrow money. That seemed good but company finances and management structure and procedures were kept hidden by Celsius. Now many closely held "Celsius" companies are creditors who want their money, and they want to use the assets we put up to pay bills to the closely held firms and therefore to the principles of the firm in bankruptcy. I cannot even tell what their claims are for. I assume as an on-line company they are for data services and some personnel costs. Are these real costs, because what it appears is that this is a shell game, with money moving from one LLC to another.

The sale of assets plan is premature and incomplete because debtors have not been provided records and we have no understanding of what is occurring in this matter. Calling into the bankruptcy "contact" firm has been useless and no information is provided. I submit that a court-appointed examiner's review the company operations must include a full forensic financial audit,



similar to the US Trustee's request to the US Bankruptcy Court for the Southern District of New York. Selling of my assets will directly impact my ability to retire at present prices will cause significant and unnecessary financial losses. This is a scary prospect as I am almost 70.

I submit to you Justice Martin that many creditors such as myself, are willing to keep and maintain the quantity of coins held in our accounts, held by a trustee, until such a time as crypto prices can recover from the market downturn and debts could be paid with a reasonable plan. I would be willing to forgo any "interest gains" and just maintain the principle I originally invested which seems like a reasonable compromise. The closely held "Celsius" creditors should also go out of business due to the lack of transparency and perhaps nefarious activities of the management. Even the trustee said that Celsius hasn't submitted a Chapter 11 reorganization plan, and there's no apparent justification for holding the asset sale now. An independent examiner should investigate how Celsius stores its crypto assets and maintains accounts with a full accounting as noted. This requires time and a December deadline is not reasonable for a complete forensic study.

Celsius asked the bankruptcy court last month to approve its asset bidding procedures. But the motion fails to identify what assets are being sold and is unclear on whether its crypto mining business is included. This would allow Celsius insiders, whose wealth is protected by the corporate veil, to pick up our assets at record low cost. This is patently unfair. I ask that you stop this if you have not already done so.

The status and ownership of Debtors' and Creditors' most valuable potential asset is the cryptocurrency. I am a creditor and I request my crypto currency back, not necessarily fiat currency money. It can be tied up and managed by a trustee until a release date sometime in next five to ten years. Originally, to set up an account, we signed terms and conditions; I understand now that the fine print said we gave up our rights to the Ownership of the cryptocurrency. This cannot be binding as it is a contract of adhesion. It is entirely unfair.

There also seems to be questions regarding whether Celsius and its principals were engaging in unregistered securities activity. An investigation should be performed into possible mismanagement, fraud, and market manipulation. I ask that this bankruptcy procedure be slowed to fully understand what is lost and create a reasonable plan to maintain the crypto holdings in place without liquidation even if other Celsius firms go under first. If there is wrongdoing, the corporate veil should be broken to allow for directed verdict against manager and owners of these companies, even if just negligence. If they broke the law, they should pay the price.

Respectfully,



Stephen J. Peklenk

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